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INFO RUEHDBU/AMEMBASSY DUSHANBE 0009
RUEHNT/AMEMBASSY TASHKENT 0002
RUEHTA/AMEMBASSY ASTANA 0002
RUEHAH/AMEMBASSY ASHGABAT 0002
RUEHEK/AMEMBASSY BISHKEK 0002

UNCLAS DUSHANBE 000167

SIPDIS

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SUBJECT: RFE/RL TAX TRIAL BEGINS

¶1. (U) Summary: EmbOff attended the first hearing Feb. 11 in the Radio Free Europe/Radio Liberty tax trial. Representatives of the State Tax Committee and the station presented their main arguments. The judge asked both sides to provide more information and set a date for the next hearing. After the session, the tax committee representative approached EmbOff and asked for the Embassy's help in collecting payment from the station. End summary.

¶2. (U) RFE/RL's legal problems stem from the alleged failure of the station's contract employees to pay taxes, as discovered in a 2008 tax inspection of the station. In the hearing, the committee representatives said that the station's employees owe 1 million Tajik somoni (about \$270,000) in taxes dating back to ¶1998. RFE/RL filed a complaint against the tax committee that resulted in this court process, in which the station is the plaintiff.

¶3. (U) The tax committee's attorney was not present, but two tax inspectors argued their case before the judge. RFE/RL brought a lawyer, who asked that the next hearing be delayed so the station could "hire a professional lawyer."

¶4. (U) The tax committee representatives said they never received the written complaint that sparked this hearing from RFE/RL. The local RFE/RL manager said he delivered it to the tax committee and a recipient signed for it. He presented the signature to the judge.

¶5. (U) The tax committee representatives indicated that they would call as a witness an RFE/RL journalist whom they ordered to pay taxes. They also said that RFE/RL was acting duplicitously by paying reporters as stringers but accrediting them as employees. The station's lawyer responded that under Tajik law, accreditation has nothing to do with full-time versus contract employment, which is also Post's understanding.

¶6. (U) RFE/RL's lawyer said the station wrote to the tax committee asking for guidance on how to pay taxes for stringers and never heard back. The judge asked the station to provide wording from the station's charter that might affect the case, and requested a written refutation of the charges from the tax committee. The next hearing is scheduled for Feb. 23.

¶7. (U) During the hearing, the tax committee representative asked EmbOff to explain what would happen in the United States "if someone didn't pay their taxes." The judge moved on, but the representative approached EmbOff after the hearing and asked again. EmbOff said it would be determined through a legal process similar to this one. The representative then said "this is not a political issue. They owe taxes. They need to pay. I'm asking the Embassy to help get this resolved." EmbOff replied that we are strictly observers and that a judge will determine RFE/RL's responsibilities, if any.

¶8. (U) Comment: The wife of an LES staff member is an employee at RFE/RL. She says that when the tax inspector came to the station, he was insulted that the station didn't buy him lunch or gas for his car, as is customary when dealing with tax inspectors. This information doesn't explain the whole case, but does some shed light on the way justice is perceived in Tajikistan.

¶9. (U) Comment: It is unclear to EmbOffs why RFE/RL is being held solely responsible for the failure of freelance employees to pay their own taxes, while the employees themselves have not been asked for the money. This may be due to the station's perceived wealth and connection to the U.S. Government. The tax committee representative may have been implying that the Embassy should assume the station's tax responsibility. End comment.

JACOBSON